

# Supplier Update

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Washington State  
**Liquor Control Board**

# Meeting Protocols

- Your audio is muted upon entry.
- Please turn up your speakers and mute your phone.
- Screen Tour
  - Chat Messages
  - Presentation Window

# Licensing Update

(as of 4/27/12)

Applications Received & Issued	Received	Issued
Spirit Distributor Applications	73	45
Wine Reseller Endorsement Applications	493	115
Spirits Retailer Applications	1,385	427
Contract Liquor Stores (included in total)	146	35
Retail Warehouse Registration	25	23
Total Applications Received and Issued	1,923	199

Applications Received & Issued	Received	Issued
Spirits COA	46	43
Authorized Rep – US	50	47
Authorized Rep – Foreign	103	94
Total	199	184

# Store Auction Results

- Total sum of individual bids: \$30.75 million
- High all-store bid: \$4.6 million
- Registered bidders: 551
- Total number of bids: 14,627
- Single stores to individuals: 93
- Multiple stores to individuals: 28
- Lowest winning bid: \$49,000 for Store 186 in Spokane (Shadle Park)
- Highest Winning Bid: \$750,000 for Store 122 in Tacoma (72nd and Pacific)
- Increase in bids on final day: \$23.7 million

# What's next for auctioned state stores?

- Winning bidders provide payment to DES on May 7
- Most have indicated they want to purchase the inventory
  - Reduce buyback inventory
- Most have indicated they want to be open on June 1, in current location
  - Implementing plan to close stores last week of May in order to turn over location on June 1.
- If auction winner assumes store fixtures, remaining supplier POS will be included.

# Store Closure Plan

- Closed 14 state stores on April 26<sup>th</sup> due to staffing
- Closing 10 contract stores May 7<sup>th</sup> – 11<sup>th</sup>
- May have to close more stores early if staff loss accelerates
- Working to maintain service area coverage
- Multiple steps to closure:
  - Count, reconcile
  - Potential pack-out of inventory
  - IT equipment, records
- Closure schedule being finalized, based on actual scenario for each CLS and SLS store

# Bailment Inventory

- The DC is shipping until May 18.
- May 18 – June 1 the DC is closed for inventory
- Pick-up remaining bailment inventory June 4<sup>th</sup> or later
  - Send request to [purchasing@liq.wa.gov](mailto:purchasing@liq.wa.gov)
  - Limited capacity: first-come, first-serve
  - The DC will contact you with confirmed appointment time/date.
- If less than a truckload, may leave bailment & pick it up with buyback inventory.

# Buy-Back Inventory Prep

- Shipped back only from stores where inventory not bought
- Consolidated into full cases and palletized
  - Some original (sealed) cases
  - Mostly repack cases
- Estimated timeframe: mid-August
- When all product is ready, the DC will notify the supplier and schedule an appointment.



# Buy-back Inventory Retrieval

- Supplier has right to inspect product
  - 6:00 a.m. – 2:30 p.m.
  - Review safety guide and sign waiver
  - No open-toe shoes
- Supplier responsible for transportation
- Liability of loss transfers to supplier upon pick-up
- Upon pick-up, LCB will issue invoice with Net 30 terms
  - Cost plus \$4.97/case
  - \$8.00/pallet charge

# Contacts

- Purchasing
  - [purchasing@liq.wa.gov](mailto:purchasing@liq.wa.gov)
- Distribution Center (DC)
  - Aaron Lowe: [aalo@liq.wa.gov](mailto:aalo@liq.wa.gov), 206-464-7924
  - Raul Landon: [rala@liq.wa.gov](mailto:rala@liq.wa.gov), 206-389-2508



Questions?